

UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
COMPTROLLER OF THE CURRENCY

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<b>In the Matter of:</b>	)	
United Bank for Africa Plc	)	
New York Branch	)	
New York, New York	)	
	)	AA-EC-08-11
a Federal branch of	)	
	)	
United Bank for Africa Plc	)	
Lagos, Nigeria	)	
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**CONSENT ORDER FOR A CIVIL MONEY PENALTY**

The Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has supervisory authority over United Bank for Africa Plc, New York, New York (“Branch”), a Federal branch of United Bank for Africa Plc, Lagos, Nigeria (“Bank”).

The Bank, by and through its Board of Directors (“Board”), and the Branch, by and through its General Manager, duly authorized by the Board, have executed a “Stipulation and Consent to the Issuance of a Consent Order for a Civil Money Penalty,” dated April 22, 2008, that is accepted by the Comptroller. By this Stipulation and Consent, that is incorporated by reference, the Branch and the Bank have consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

ARTICLE I

COMPTROLLER’S FINDINGS

The Comptroller finds, and the Branch neither admits nor denies, the following:

(1) Prior to January 2007, the Branch violated 12 C.F.R. § 21.11 by failing to identify suspicious activity that occurred in Branch customer accounts and by failing to file suspicious activity reports regarding the Branch customers.

(2) Prior to January 2007, the Branch also violated 12 C.F.R. § 21.21 by failing to establish and maintain a compliance program reasonably designed to assure and monitor compliance with the requirements of the Bank Secrecy Act (“BSA”) as amended, 31 U.S.C. 5311-5330, the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C (collectively referred to as the Bank Secrecy Act).

(3) In addition, prior to January 2007, the Branch recklessly engaged in unsafe or unsound banking practices, by failing to establish and maintain internal controls and audit functions sufficient to ensure compliance with the BSA.

(4) As a result of the activities described in paragraphs (1)-(3) of this Article, on January 18, 2007, the Comptroller issued a Cease and Desist Order, by consent, to the Bank and the Branch that, among other things, required the Branch to develop a comprehensive BSA Program, with policies and procedures to ensure compliance with the requirements of the BSA and the USA PATRIOT Act. Additionally, the 2007 C&D Order required the Branch to establish a system of internal controls and processes to ensure compliance with the requirements for filing Suspicious Activity Reports as set forth in 12 C.F.R. § 21.11.

(5) As a result of the activities described in paragraphs (1)-(3) of this Article, on May 2, 2007, the Comptroller also assessed a civil money penalty of five hundred thousand dollars (\$500,000) against the Branch, by consent.

(6) During a target examination conducted in November 2007 to determine compliance with the 2007 C&D Order, Office of the Comptroller of the Currency (“OCC”) examiners

determined that the Branch failed to comply with the majority of the sixteen articles contained in the 2007 C&D Order. Among other provisions, the Branch failed to comply with requirements pertaining to adoption and implementation of an effective BSA Program, suspicious activity reporting, BSA audit, staffing and restrictions on non-customer transactions.

(7) The target examination revealed that significant BSA program deficiencies, unsafe or unsound practices, and violations of law remained pervasive and systemic throughout the Branch, including but not limited to the Branch's continued failure to identify and report suspicious activities. On December 7, 2007, the OCC issued a Supervisory Letter to the Branch detailing the findings of the target examination ("2007 Supervisory Letter").

(8) The Branch's failure to correct serious BSA program deficiencies, as required in the 2007 C&D Order, constituted violations of that order.

(9) As a result of the foregoing, the OCC issued a Cease and Desist Order, by consent, to the Bank and the Branch on February 29, 2008 ("2008 C&D Order"). The 2008 C&D Order supersedes the 2007 C&D Order and, among other things, requires the Branch to do the following: cease and desist from processing wire transfers, dollar drafts and pouch transactions; retain the services of a qualified, independent consultant to review the Branch's wire transfer activity and dollar draft activity at the Branch from January 1, 2007 through February 29, 2008, to ascertain the existence of any unusual or suspicious transactions during this period; periodically update its written comprehensive BSA risk assessment and develop a new comprehensive written BSA Program to ensure compliance with BSA and Customer Identification Program ("CIP") requirements; revise and implement the Branch's written program establishing a system of internal controls and processes to ensure compliance with the requirement to file Suspicious Activity Reports set forth in 12 CFR 21.11; outsource the Branch's internal audit of all operational and

compliance functions to a qualified independent third party; revise the Branch's written strategic plan and make any revisions necessary to its staffing plan to ensure consistency with the new strategic plan; and take all necessary steps to ensure that the Branch corrects each unsafe and unsound practice, violation of law, rule or regulation, and Matters Requiring Attention ("MRAs") cited in, among other things, the 2007 Supervisory Letter, the 2006 Report of Examination, and any subsequent Report of Examination.

(10) As a result of the foregoing, the Comptroller has determined to assess a fifteen million dollar (\$15,000,000) civil money penalty against the Branch.

## ARTICLE II

### ORDER FOR A CIVIL MONEY PENALTY

Pursuant to the authority vested in the Comptroller by the International Banking Act of 1978, as amended, 12 U.S.C. §§ 3101 *et seq.*, and the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby Orders that:

(1) The Branch make payment of a civil money penalty in the amount of fifteen million dollars (\$15,000,000), which shall be paid upon execution of this Order.

(a) If a check is the selected method of payment, the check shall be certified and made payable to the Treasurer of the United States and shall be delivered to: Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000.

(b) If a wire transfer is the selected method of payment, the wire shall be sent to the Comptroller's account #2071-0001, ABA Routing # 021030004.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) (as amended).

(3) The Branch shall enter into a related consent agreement with the U.S. Department of Treasury's Financial Crimes Enforcement Network for the payment of a civil money penalty in the amount of fifteen million dollars (\$15,000,000). Such penalty assessment shall be concurrent with the \$15,000,000 civil money penalty assessed by the OCC, and both shall be satisfied by one payment of \$15,000,000 to the U.S. Department of Treasury.

### ARTICLE III

#### ADDITIONAL ORDER PROVISIONS

(1) This Order is not intended to, and shall not, supplant or amend any provisions of the February 29, 2008 Consent Order entered into by the Bank, the Branch and the Comptroller.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate to fulfilling the responsibilities placed upon him/her by the several laws of the United States to undertake any action affecting the Branch, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(4) This Order expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(5) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 22nd day of April, 2008.

*/s/ Ronald G. Schneck*

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Ronald G. Schneck  
Director for Special Supervision  
Office of the Comptroller of the Currency

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
COMPTROLLER OF THE CURRENCY**

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a Federal branch of	)	
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Lagos, Nigeria	)	
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**STIPULATION AND CONSENT TO THE ISSUANCE  
OF A CONSENT ORDER FOR A CIVIL MONEY PENALTY**

Whereas, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to assess a civil money penalty against United Bank for Africa Plc, New York, New York (“Branch”), a Federal Branch of United Bank for Africa Plc, Lagos, Nigeria (“Bank”), pursuant to 12 U.S.C. § 1818(i)(2) and 12 U.S.C. §§ 3101 *et seq.* as a result of the Branch’s recklessly unsafe or unsound practices, violations of law, and violation of the January 2007 Cease and Desist Order; and

Whereas, the Bank and the Branch consented to the issuance of a consent order to cease and desist, dated February 29, 2008, OCC Enforcement Action No. 2008-007, in order to address deficiencies in the Branch’s anti-money laundering program, and other deficiencies in the Branch’s operations; and

Whereas, the Branch, in the interest of compliance and cooperation, consents to the issuance of a Consent Order for a Civil Money Penalty against it, dated April 22, 2008 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Board of Directors of the Bank, by and through its designated representative, and the Branch, by and through its General Manager, duly authorized by the Board, hereby stipulate and agree to the following:

## ARTICLE I

### JURISDICTION

(1) The Branch is a Federal branch licensed and examined by the Comptroller pursuant to the International Banking Act of 1978, as amended, 12 U.S.C. §§ 3101 *et seq.*

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Branch pursuant to 12 U.S.C. §§ 1813(q), 1818(i) and 3108(b).

(3) The Branch is an “insured depository institution” within the meaning of 12 U.S.C. §§ 1813(c)(3) and 1818(i).

## ARTICLE II

### AGREEMENT

(1) The Branch, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller. The Branch further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. §§ 1818(i) and 3101 *et seq.*



(2) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Branch under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Branch expressly acknowledges that neither the Branch nor the Comptroller has any intention to enter into a contract.

(3) The Branch also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(4) The Branch declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Branch to agree to consent to the issuance of the Order and/or to execute the Order.

(5) The Branch also expressly acknowledges that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of the Order, and that nothing herein constitutes, nor shall the Branch contend that it constitutes, a waiver of any right, power, or authority of any other representative of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

### ARTICLE III

#### WAIVERS

(1) The Bank and Branch, by signing this Stipulation and Consent, hereby waive:

- (a) the issuance of a Notice of Assessment of a Civil Money Penalty pursuant to 12 U.S.C. § 1818(i)(2);
- (b) any and all procedural rights available in connection with the issuance of the Order;
- (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(h) and (i)(2)(as amended) and 12 C.F.R. Part 19; and
- (d) all rights to seek any type of administrative or judicial review of the Order;
- (e) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or the Order, whether arising under common law or under the terms of statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C § 2412; and
- (f) any and all rights to challenge or contest the validity of the Order.

#### ARTICLE IV

#### OTHER ACTION

(1) The Bank and the Branch further agree not to take any action or to make or permit to be made any public statement denying, directly or indirectly, the specific acts, omissions, or violations referenced in this Order or otherwise creating the impression that this Order is without factual basis. If the Bank or Branch violates this provision, the OCC may set aside this settlement and commence administrative proceedings on the actions alleged therein.

(2) It is hereby agreed that the provisions of this Order constitute a settlement of the civil money penalty proceedings arising out of the specific acts, omissions, or violations described in the Comptroller's Findings (Article I of the Order). However, the specific acts, omissions, or violations described in Article I of the Order may be used by the OCC in future enforcement actions to establish a pattern or practice of misconduct or the continuation of a pattern or practice of misconduct.

(3) The Bank and the Branch agree that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Branch if, at any time, he/she deems it appropriate to do so to fulfill the responsibilities placed upon him/her by the several laws of the United States of America.

(4) The Bank and Branch also agree that the terms of the Order are not subject to amendment or modification by an extraneous expression, prior agreements or prior arrangement between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller

/s/ Ronald G. Schneck  
Ronald G. Schneck  
Director for Special Supervision  
Office of the Comptroller of the Currency

4/22/08  
Date

